BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 93-264-G - ORDER NO. 94-914

SEPTEMBER 6, 1994

IN RE: Piedmont Natural Gas Company -) ORDER APPROVING Rate of Return Being Earned) AGREEMENT

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request for approval of agreement submitted by Piedmont Natural Gas Company (Piedmont) concerning the Weather Normalization Adjustment for the 1994-1995 winter season.

Piedmont has submitted to this Commission an agreement signed by Piedmont, the Consumer Advocate for the State of South Carolina (the Consumer Advocate) and the Commission Staff. Approval is requested of an agreement to permit Piedmont to account for variances due to the implementation of the Weather Normalization Adjustment Tractor (WNA) in a deferred account during the 1994-1995 winter period in the same manner as during the 1993-1994 winter period.

The agreement states that in Order No. 93-1095, issued

November 30, 1993, the Commission directed Piedmont to implement a

WNA for customers served from rate schedules 201 and 202. Piedmont

was directed to account for variances due to the implementation of

the WNA in a deferred count. Piedmont and the Commission Staff

were directed to work together prior to implementation of the WNA

during the 1994-1995 winter heating season to resolve any details

required for future implementation of the WNA. In addition, the Commission directed that a representative of Consumer Advocate's office be invited to participate in this endeavor. According to the agreement, during the 1993-1994 winter period, variances due to the implementation of the WNA were credited to a deferred account as directed by the Commission. In addition, Piedmont, Staff, and the Consumer Advocate have held discussions to resolve any details required for future implementation of the WNA. As a result of the discussions, according to the agreement, the parties thereto believe that it may be appropriate at a later date to apply variances to the WNA to each customer's bill on a monthly basis. The parties agree with Piedmont's representation that implementation of monthly bill adjustments would be difficult, if not impossible in the 1994-1995 winter season. Therefore, the parties have agreed, subject to Commission approval, that during the 1994-1995 winter period, variances due to the implementation of the WNA should be accounted for in a deferred account in the same manner as during the 1993-1994 winter season.

The Commission has examined this agreement, and we believe that it is fair and equitable to all parties and to the public. We also believe that the reasoning stated therein is appropriate, and that it would be reasonable to allow Piedmont to account for variances due to the implementation of the WNA in a deferred

account during the 1994-1995 winter period in the same manner as during the 1993-1994 winter period. The agreement is therefore approved. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Kudolyh Mitchell
Chairman

ATTEST:

Executive Director

(SEAL)